GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1114
ANSWERED ON:21.07.2017
Fiscal Deficit to GDP
Ram Mohan Naidu Shri Kinjarapu

Will the Minister of FINANCE be pleased to state:

(a) the details of fiscal deficit to Gross Domestic Products (GDP) along with sector-wise subsidy outgo during the last three financial years;
(b) whether the Government proposes to rationalise, fine tune and reduce the subsidy and if so, the details thereof along with the likely sectors/schemes where the subsidy is proposed to be cut;
(c) whether the States/UTs have approached the Union Government for financial package/debt waiver to reduce their fiscal deficit and if so, the details thereof; and
(d) the action taken by the Government to contain fiscal deficit?

Answer

MINISTER OF STATE FOR FINANCE (SHRI ARJUN RAM MEGHWAL)

(a): Details of fiscal deficit as a percentage of Gross Domestic Product (GDP) along with subsidy outgo on major subsidies during the last three financial years are as under:

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Financial Year Fiscal Deficit
(% of GDP) Outgo on major subsidies (Rs. in crore)
Food Subsidy Petroleum Subsidy Fertilizer Subsidy
2016-17 (RE) 3.5 1,35,173 27,532 70,000
2015-16 3.9 1,39,419 29,999 72,415
2014-15 4.1 1,17,671 60,269 71,090
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RE: Revised Estimates

(b): The Government continuously strives to rationalize the subsidy regime in major subsidies like fertilizer, food and petroleum to better target it to the needy beneficiaries. Various reform measures have also been taken in context of subsidies without causing any hardship to genuine needy people.

(c): The State Government of Andhra Pradesh has recently requested that the liability of Externally Aided Projects (EAPs) Loans shall be taken out from the books of accounts of the Government of Andhra Pradesh so that it will not form part of the States FRBM limit. The Government of Andhra Pradesh has been informed that there will be no change in the mechanism of transfer of EAP loans, i.e. loan will be transferred on back to back basis on the same terms and conditions as are attached to the loan by the lending agency. Hence, EAP loans, like any other borrowings by the State, shall be considered within the Fiscal Deficit limit of the State.

(d): The Government has been taking legal, administrative and technological measures to mobilize higher amount of resources from both tax and non-tax revenue along with rationalization of expenditure, including through subsidy reforms etc.

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